

mathematical proposition, that the fall in the exchange was measured by the depreciation in the paper money, and not by any cause common to Irish industry or banking, was afforded by the fact that there was a local difference of exchange between Dublin and Belfast, which put specie at a premium of ten or twelve per cent, in Dublin, while it passed at par in Belfast as the only medium of exchange/ The committee recommended that the relations between the currencies of the two countries be simplified by making the notes of the Bank of Ireland payable in Bank of England paper and that the Bank of Ireland establish a fund in London for that purpose. Little attention seems to have been paid to this report and the recommendation that the currencies be assimilated, which was made by Mr. Parnell in Parliament in 1809, was rejected without a division.

The depreciation of the Bank of England notes did not advance rapidly until the period of commercial speculation which caused the panic of 1810. The price of gold in bank paper, which had risen to £4. 55. per ounce in 1800, fell back to about <sup>4</sup>/<sub>4</sub>, representing a depreciation of two and a half shillings or about three and two-tenths per cent., and remained at substantially this figure until 1809. The price of gold rapidly advanced during the following year until the mint price of gold was <sup>4</sup>/<sub>4</sub> *us.* or a depreciation of 17.4 per cent. Exchange with Hamburg had been falling with the depreciation of the currency and on February 1, 1810, Mr. Homer moved for several accounts relating to the currency and exchanges. The committee was then appointed whose work has become so famous in the literature of finance as the Bullion Report. The committee, in an endeavor to ascertain the true cause of the unfavorable exchanges, examined a large number of witnesses, including directors of the Bank of England, private bankers, business men, and students of finance. The conclusions of the committee, however, were directly adverse to the opinions of the bankers and in accordance with those of the most enlightened students of the abstract problems of finance and political economy.

<sup>1</sup> MacLeod, *Theory and Practice of Banking*, II., 14.